



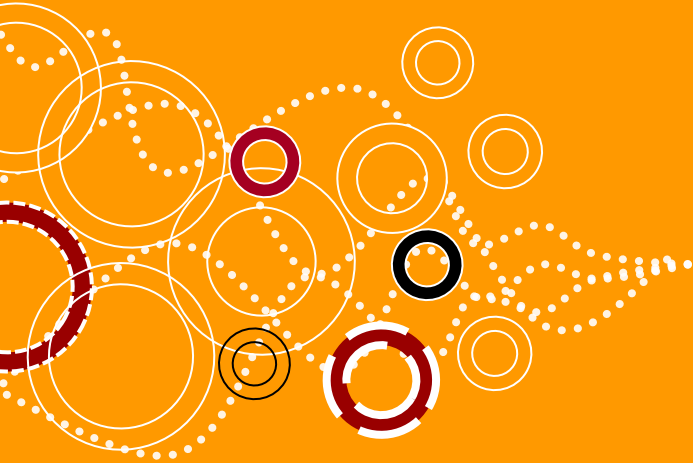
# 5 Best Practices for Identifying Potential Leaders

Making the right talent investments will also  
be the right business investments

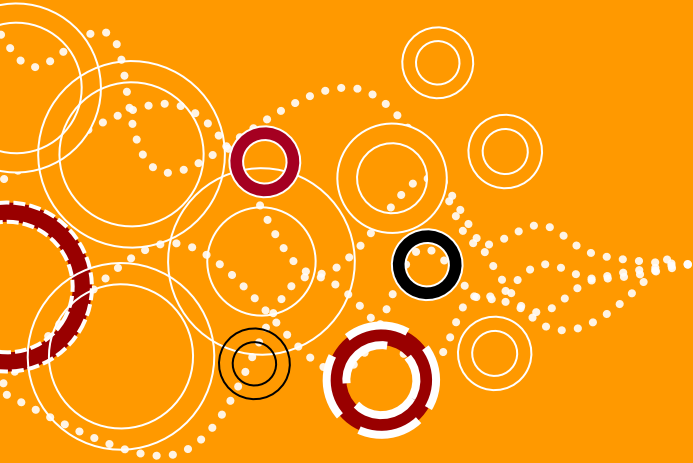




**High potentials,** also known as  
“top talent,” “high flyers,” or  
“**acceleration pool members,**”  
are believed to have the best chance  
to rapidly grow their capabilities and fill  
strategic roles in the near future.



By most definitions, an acceleration pool of leaders **represents a critical investment** of time and resources.



Much like a personal decision to invest in a stock or mutual fund, the process for identifying high potentials **requires 4 Absolutes.**

# 4 ABSOLUTES

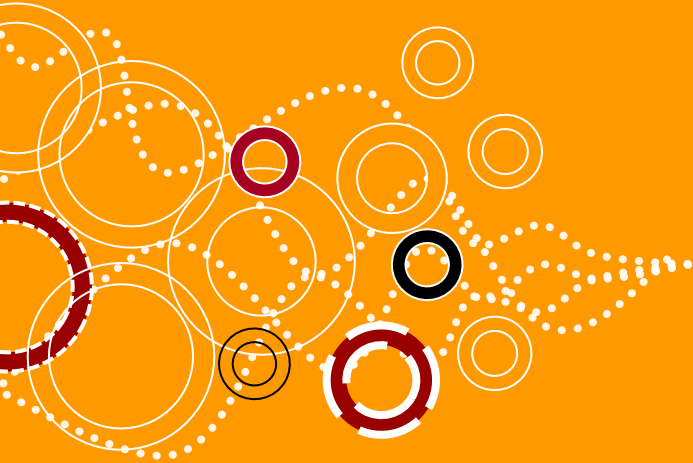
## for Identifying your Potential Leaders

Due Diligence

Clear Criteria

Accurate Data

Careful  
Decision-Making



## Here are 5 Best Practices for making the right talent investments in your organization:

1. Don't shortchange high potential nominations
2. Narrow your pool before you start rating
3. Define potential consistently
4. Separate potential from performance from readiness
5. Involve managers in the process



# Don't Shortchange High Potential Nominations



## Create focus and rigor by ensuring that the managers involved in the talent review have:

- Clear direction for evaluating and nominating high potentials
- An accurate definition to guide discussion and decision making
- Adequate rating instructions





#1

## Don't Shortchange High-Potential Nominations

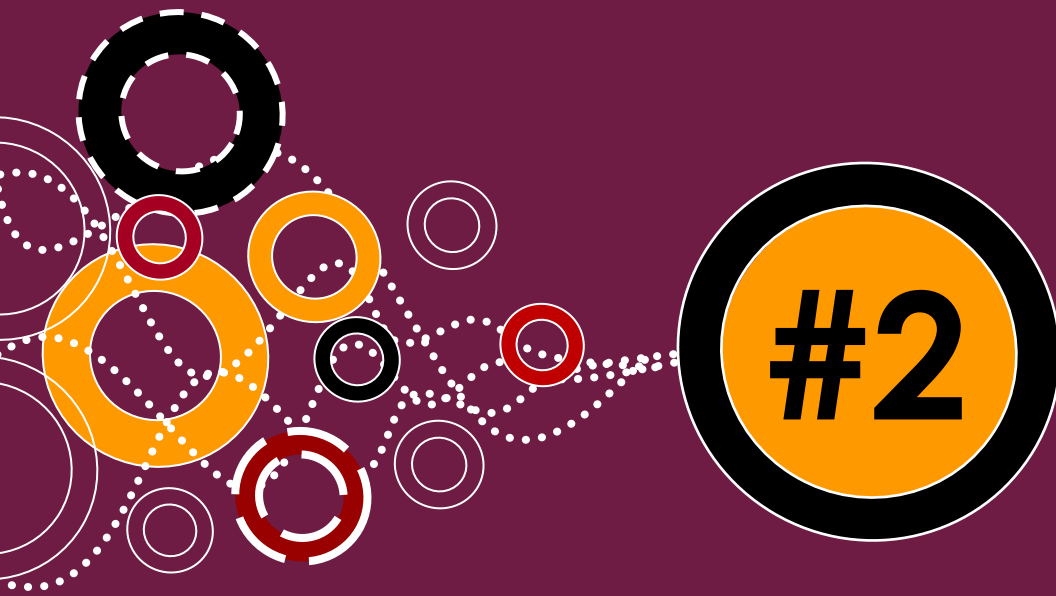
The evaluation and nomination of high potentials is often embedded as a component of a larger talent review process, and doesn't always get the proper emphasis.



**#1**

Don't Shortchange High-Potential Nominations

Once leaders have been initially evaluated, engage managers in a more thorough evaluation and consensus-reaching to ensure you have the right quality and quantity of high-potential talent.



# Narrow Your Pool Before You Start Rating



Narrow Your Pool Before You Start Rating

Focus first on prospective high-potential candidates.



#2

Narrow Your Pool Before You Start Rating

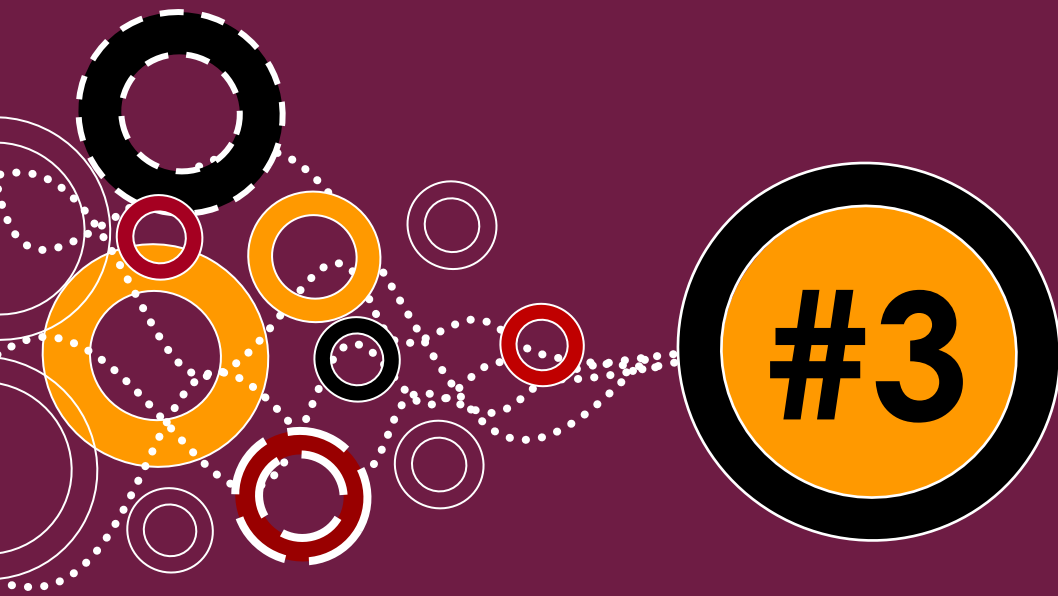
Once you have the pool of candidates,  
**employ needed criteria, tools, and  
consensus-building techniques** for the  
required due diligence to make the best  
talent investment decisions.



#2

Narrow Your Pool Before You Start Rating

Keeping the evaluation process **zeroed in on high-potential designation** will focus managers' time and attention on those leaders eligible for this in-depth consideration.



# Define Potential Consistently



## Define Potential Consistently

Replace loose, intuitive definitions of potential with **standard, research-based factors that are predictive of future potential.**





Define Potential Consistently



## DDI's research has identified 10 high-potential factors:

- Propensity to Lead
- Brings Out the Best in Others
- Authenticity
- Receptivity to Feedback
- Learning Agility
- Culture Fit
- Passion for Results
- Adaptability
- Conceptual Thinking
- Navigates Ambiguity



Define Potential Consistently

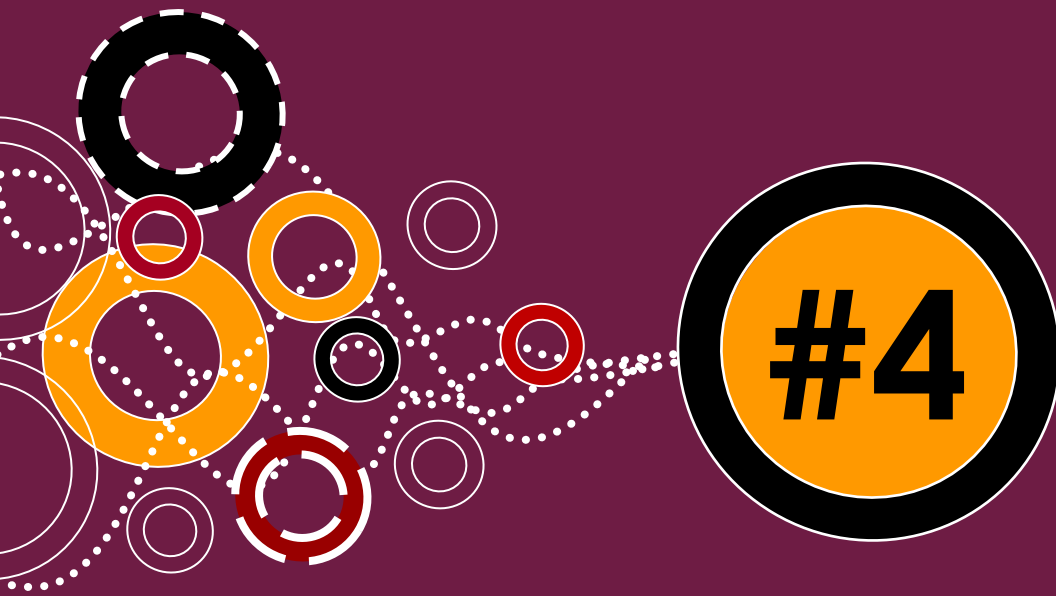
Nomination must first confirm a solid track record of past performance, but **these 10 factors are the real differentiators for potential** in accelerated development.



Define Potential Consistently

Taken as a whole, they address **motivations, learning orientation, and propensity to deal** with the increasingly ambiguous, complex, and dynamic nature of strategic roles.

Motivation + Learning  
Orientation



# Separate Potential from Performance from Readiness



## Separate Potential from Performance from Readiness

These three concepts – performance, potential, and readiness – are often confused.



## Separate Potential from Performance from Readiness

**Potential** = The likelihood that an individual can develop into a successful leader with significantly expanded, higher-level leadership responsibilities.

**Performance** = An individual's level of success in executing objectives in one's current (or past) roles. Includes demonstration of required competencies.

**Readiness** = The degree to which an individual's competencies, experiences, knowledge, and personal attributes meet the requirements for a role or job family.



Separate Potential from Performance from Readiness

Past performance is a predictor of future performance, but only when the challenges and roles remain consistent.

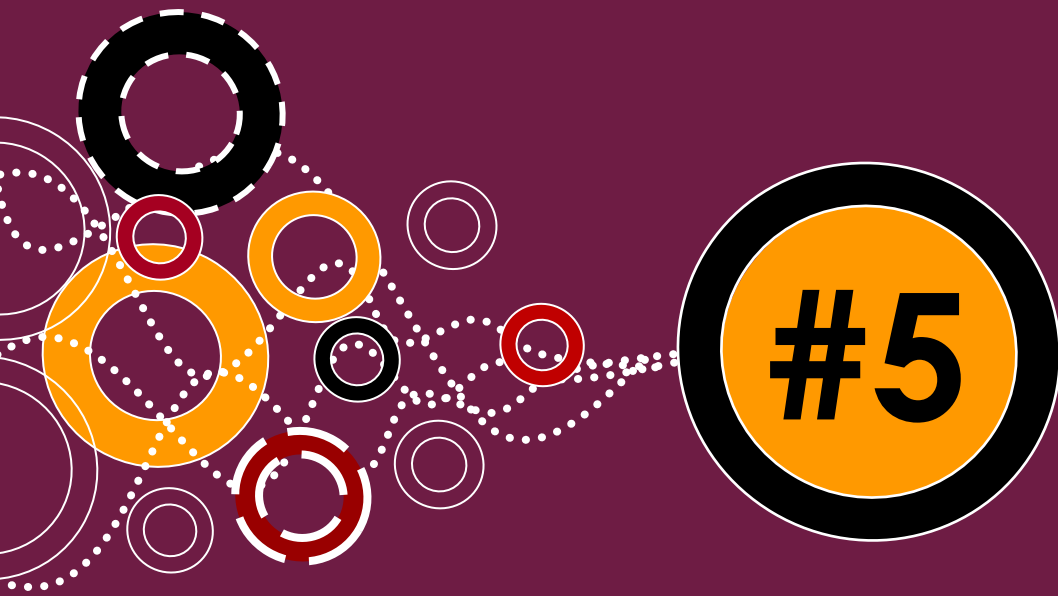


**#4**

Separate Potential from Performance from Readiness

Since significantly new and different challenges lie ahead for high-potentials, it is critical to differentiate and evaluate potential and readiness.





# Involve Managers in the Process



## Involve Managers in the Process

**Engage leaders and managers from the start.**  
Communication is vital to attain buy-in, set expectations, and establish processes, roles, accountabilities and metrics.



**#5**

Involve Managers in the Process

**Managers**, as guardians of the enterprise's talent **can serve as “talent scouts”** at other times during the year.



## Involve Managers in the Process

By adopting the language and definitions into their observations and dialogue on a more ongoing basis, managers will be better equipped to spot potential more proactively



## Involve Managers in the Process

FYI—Sometimes, this means **uncovering hidden talent that wouldn't otherwise be discovered** by only thinking of potential once a year



# LET'S RECAP!

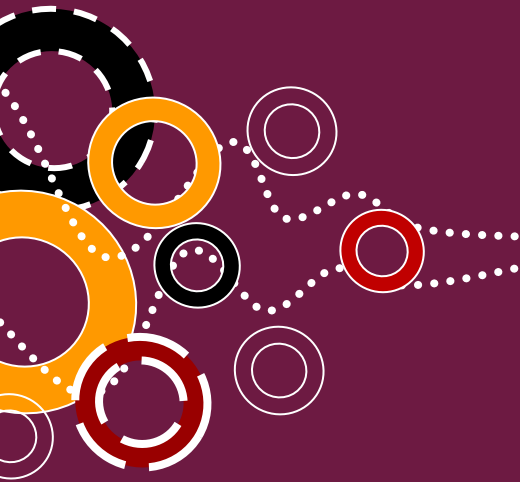




# Making the right talent investments in your organization

## Best Practices

- Don't shortchange high potential nominations
- Narrow your pool before you start rating
- Define potential consistently
- Separate potential from performance from readiness
- Involve managers in the process



# 1 TAKEAWAY

The **high-potential identification process** is **vital** to filling an organization's leadership pipeline.





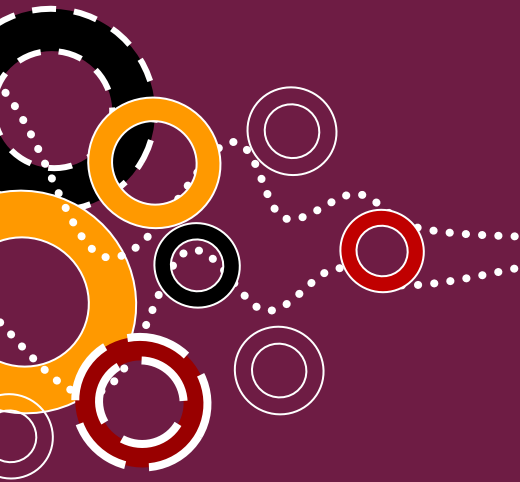
## 2 TAKEAWAY

Beyond routine promotion and development, **this nomination process represents an investment decision**, just like an investment in product development, or any other business opportunity.



### 3 TAKEAWAY

**Time, budget dollars, & energy need to be invested** in assessing, developing, coaching, awarding assignments, and retaining high potentials.



#### TAKEAWAY

# 4

The due diligence and response to common design and execution challenges will determine the return on the high-potential investment.



# Ready to identify your potential future leaders?

Succession experts are standing by at 800.933.4463 or  
[info@ddiworld.com](mailto:info@ddiworld.com) to help guide your initiatives.